

Internal Revenue Service

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Department of the Treasury
Washington, DC 20224

Third Party Communication: None
Date of Communication: Not Applicable

Person To Contact:
, ID No.

Telephone Number:

Refer Reply To:
CC:INTL:B02
PLR-115019-14

Date:
September 25, 2014

TY:

Legend

Taxpayer =
TIN =

Country A =
Country B =

Year 1 =
Year 2 =
Year 3 =
Year 4 =

Dear :

This is in response to a letter received in this office on April 8, 2014, submitted on your behalf by your authorized representative, requesting permission to elect the provisions of section 911 of the Internal Revenue Code for Year 4 and subsequent tax years.

The ruling contained in this letter is based upon information and representations submitted on behalf of Taxpayer by her authorized representative and accompanied by a penalty of perjury statement executed by an appropriate party. While this office has not verified any of the material submitted in support of the request for a ruling, such material is subject to verification on examination. The information submitted in the request is substantially as set forth below.

FACTS

Taxpayer is a United States citizen who has resided outside of the United States since Year 1. Taxpayer elected the foreign earned income exclusion under section 911(a).

Taxpayer revoked this election in Year 2. In Year 3, Taxpayer changed employers and moved from Country A to Country B. Unlike Country A, Country B has no personal income tax.

RULING REQUESTED

Taxpayer requests permission to reelect the foreign earned income exclusion under section 911(a) for Year 4 and subsequent years.

LAW

Section 911 permits certain taxpayers to elect to exclude from gross income their foreign earned income and housing cost amounts. Under Treas. Reg. § 1.911-7(a)(1), the election applies to the taxable year for which it is made and for all subsequent years, unless revoked by the taxpayer. Treas. Reg. § 1.911-7(b)(1) prescribes a method by which a taxpayer may revoke an election to exclude foreign earned income, i.e., by filing a statement revoking any previously made elections. Section 911(e)(2) provides that once revoked, the election may not be made again by the taxpayer until the sixth taxable year after the year in which the revocation was made unless the Commissioner consents to the reelection.

Treas. Reg. § 1.911-7(b)(2) provides that if an individual revokes an election under Treas. Reg. § 1.911-7(b)(1) and desires to reelect the same exclusion within the next five years, the individual must obtain permission by requesting a ruling. The Service may permit the taxpayer to reelect the foreign earned income exclusion before the sixth year after considering any facts and circumstances that may be relevant to the determination. Treas. Reg. § 1.911-7(b)(2) provides that relevant facts and circumstances may include a period of United States residence, a move from one foreign country to another foreign country with differing tax rates, a substantial change in tax laws of the foreign country of residence or physical presence, and a change of employer.

CONCLUSION

Based solely on the information and representations set forth above, it is held that Taxpayer may reelect the section 911 exclusion for Year 4 and subsequent taxable years.

Except as otherwise expressly provided herein, no opinion is expressed as to whether Taxpayer otherwise satisfies the requirements of section 911 for excluding foreign earned income and housing cost amounts from gross income. Furthermore, no opinion is expressed or implied concerning the tax consequences of any aspect of any other transaction or item discussed or referenced in this letter.

This private letter ruling is directed only to the taxpayer requesting it. Section 6110(k)(3) provides that it may not be used or cited as precedent.

A copy of this letter ruling must be attached to any federal income tax return to which it is relevant. Alternatively, taxpayers filing their returns electronically may satisfy this requirement by attaching a statement to their return that provides the date and control number of the letter ruling.

In accordance with the Power of Attorney on file with this office, a copy of this letter is being faxed to your authorized representative.

Sincerely,

Jeffery G. Mitchell
Chief, Branch 2
Office of the Associate Chief Counsel
(International)

cc: